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The Agricultural Situation

General

Business in general throughout the nation continued at a high rate during February. Business was bolstered to a large degree by high levels of employment, personal income and retail sales.

The industrial production index for February at 146 is the same as January and down one point from December. Auto assemblies of about 140,000 units per week displayed an increase of 10,000 units over last year. TV set production declined during the month while output of other household goods showed little change. Steel production at 97 percent capacity in February declined to 94 percent in mid-March due to inventory adjustments by consumers.

Construction activity continued to decline. The seasonally adjusted annual rate of 915,000 units in February represented a decline from 1 million units in January and 1.1 million units in February, 1956.

Non-farm employment at 52.2 million in February was two percent above last year. Unemployment during February was 3.1 million.

Department store sales continued at the record levels attained in December and in February were seven percent above last year.

In the security markets, yields on U. S. government securities increased moderately from mid-February to mid-March. Common stock prices changed relatively little.

Agriculture

During January, 1957 the index of the volume of farm marketing was 119, slightly higher than last January, but a considerable drop from the level of 128 in December.

The index of prices received by farmers at 234 was the same as last November and represented a decline of four points from a level of 238 in January. Prices received from crops dropped from a level of 239 in January to 233 in February while livestock declined from 237 in January to 234 in February. These figures indicate that prices received for crops are about the same as last year while livestock prices showed a substantial increase from the 220 level last February.

The index of prices paid by farmers continues to rise, attaining a level of 294 in February compared with 292 in January and 280 last February. Consequently, the parity ratio declined from 82 in January to 80 in February.

—**John Franzmann**

Crops

Wheat

Supply

Total wheat supplies for the 1956-57 marketing year are now estimated at 2,036 million bushels. These supplies consist of the July 1,

1956 carryover of 1,034 million, the 1956 crop of 997 million, and imports of about 5 million bushels. With domestic disappearance for 1956-57 estimated at 600 million bushels and estimated exports of 450 million, the carryover on July 1, 1957 would be approximately 985 million bushels. This would be nearly 10 million bushels less than last year and the first significant reduction in carryover since 1952.

Preliminary estimates indicate a 1957 wheat crop of 854 million bushels. This compares with a production of 997 million in 1956 and a 10-year (1945-54) average production of 1,148 million bushels. This would be the smallest production since the 1943 crop of 844 million bushels.

Total disappearance for 1957-58 is estimated at 950 million bushels, consisting of a domestic disappearance of 600 million and exports of 350 million bushels. With a crop of 854 million bushels, these estimates would indicate a reduction of 91 million bushels in the carryover at the end of the 1957-58 marketing year.

Estimates indicate that the acreage planted to winter wheat in the fall of 1956 is the smallest acreage seeded since the fall of 1912. Total acreage seeded to winter wheat is estimated at 36.8 million acres. This is about 20 percent less than last year and nearly 35 percent less than the average acreage seeded during the 10-year period, 1947-56.

Average Reserve

Decisions to decrease the acreage seeded to wheat were influenced by the drouth and by the soil bank program. State Agricultural Stabilization and Conservation (ASC) offices reported 12,792,701 acres of wheat (winter and spring) under acreage reserve agreements as of March 29, 1957. No breakdown of acreages has yet been announced, but it is estimated that spring wheat acreage reserve agreements probably will account for less than 3 million acres of the total wheat acreage under the soil bank program. Total acreage seeded to spring wheat is estimated at 12,784,000 acres.

Acreage reserve withdrawals were from acreage allotments which totaled 55 million acres for the 1957 wheat crop. With nearly 12.8 million acres withdrawn under the acreage reserve program, the apparent maximum seeded acreage would be about 42.2 million acres. This is an excess of nearly 7.5 million acres as compared with an estimated seeded acreage of 49.6 million. However, inasmuch as compliance with the acreage reserve program, like compliance with acreage allotments, is based on harvested rather than seeded acreage, this difference is understandable. Farmers, however, must plow under any excess acres before harvest in order to comply with the provisions of both programs.

The 1957 Oklahoma wheat crop is now estimated at 59,164,000 bushels. This is 8.5 million above the December 1, 1956 forecast, but about 13 million bushels below the 10-year average. The harvested acreage for Oklahoma is estimated at 3,677,000 acres.—**Nellis A. Briscoe**

Cotton

The per capita consumption of all fibers in the United States in 1956 was smaller than for 1955. The per capita fiber consumption in 1956 totaled 38.7 pounds as compared with 40.3 pounds in 1955. The consumption of cotton in 1956 was down about one-half pound per capita. The consumption of rayon and acetate fiber declined about one and a half pounds per capita. The per capita consumption of non-cellulosic man-made fibers increased about .3 pound and wool about .1 pound over 1955.

Consumption of cotton by domestic mills, for the 1956-57 marketing year through February, has amounted to a little over 5 million bales. During this period consumption has averaged approximately three percent below the corresponding period a year earlier. If the current rate of consumption continues during the current season, with normal seasonal changes, a total of about 8.75 million bales will be consumed for the current season. This compares with 9.2 million bales consumed by domestic mills last season.

Exports

Even though domestic mill consumption will be down for the current season it is estimated by the Department of Agriculture that disappearance of United States cotton this season will be the largest in 30 years. Exports are expected to climb to a little over 7 million bales for the season compared with a total of 2.2 million bales last season.

The carryover next August 1 is expected to be about 12 million bales, a decline of 2.5 million bales from the previous August 1. The supply of cotton in the United States at the end of February was about 17.4 million bales as compared with 19.7 million bales on the corresponding date a year ago. This will be the first year since 1951 that the carryover has decreased.

The sign up for the 1957 Soil Bank Acreage Reserve Program was completed on March 11. A preliminary report as of March 29 indicates that 3,029,813 acres of upland cotton have been placed under this program. In view of these commitments, the total acreage harvested will be at least 3 million acres smaller than the total allotments of 17.6 million acres. As of March 15, Oklahoma producers had placed 197,306 acres under the program. This is 23 percent of the State's total acreage allotment. —**William E. Cathcart**

Livestock and Livestock Products

Hogs

United States

In nine corn belt states, farmers have raised their spring farrowing intentions about one percent or 63,000 head from the intentions reported in December, 1956.* This places the estimated number of sows farrow-

ing this spring, in these areas, at about the same level as actually farrowed in the spring of 1956 or a total of about 5,362,000 head.

If the United States as a whole follows this pattern, and if pigs saved per litter equals last spring's record of 6.94 head, the 1957 spring pig crop could equal the 1956 spring crop of about 53,136,000 head saved. The relatively strong hog price recovery since last November, the size of the corn crop, and the upward revision of farrowing intentions in the nine state area suggest that this year's spring pig crop may be even larger than for a year earlier.

Average hog prices dipped from $17.30 per cwt. on January 15 to $16.30 on February 15 but climbed back to $16.80 per cwt. in March. Hog prices are expected to hold near these levels through April but should begin moving toward higher levels by May and June. With the nine state area holding close to the 1956 farrowing pattern of about 30 percent of the spring pig crop farrowed in December, January and February, it is possible that the seasonal high price could occur in July this year. However, August still is the best bet. In 1956 this seasonal high was recorded in August and in 1955 it occurred in June.

With the improved hog price situation and with adequate corn supplies, farmers may hold back some gilts for breeding purposes. For early spring farrowed pigs this may decrease the number of hogs being marketed for slaughter this summer and result in stronger hog prices for August.

If farmers in the country as a whole tend to hold back more gilts for fall breeding than now expected, slaughter grades of hogs could go considerably above the $21.00 to $23.00 range currently expected as the seasonal high for July or August this year.

Total hog numbers on January 1, 1957 were only down to 52 million head from the 55 million head on January 1, 1956. This number is below the 1948-1956 average of 55,187,000 head and well below the relatively large inventory of 62,269,000 head on January 1, 1951. This suggests there may be some room for expanding hog numbers although such expansion may be limited.

Oklahoma

Farrowing estimates comparable with the nine state March report are not available for Oklahoma. Limited feed supplies and relatively higher prices for corn in relation to hog prices have kept the Oklahoma hog-corn price ratio at fairly low levels. This should lead to the conclusion that farrowings in Oklahoma are probably below the level for both the nine state area as well as the United States as a whole.

Average hog prices in Oklahoma on January 15 this year were $16.70 per cwt. On February 15 these prices dipped, following the

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* *Nine State Pig Crop Reports*, AMS, USDA., March 20, 1957. The nine states are Ohio, Indiana, Illinois, Wisconsin, Minnesota, Iowa, Missouri, South Dakota and Kansas.

United States pattern, to $16.50 but on March 15 rose to $16.70 per cwt. If Oklahoma hog prices follow the tendency reported in the February issue of **Oklahoma Current Farm Economics,** we may expect these prices to be very near or even rise above the United States prices in June, July, and August this year. —**Kenneth B. Boggs**

Dairy

Production

Milk production is continuing at a very high rate throughout the United States. Prices of manufactured dairy products remained slightly above the support level; however, some surplus supplies of butter, cheese, and dry skim milk are being purchased at support levels by CCC.

Milk production in the fluid milk marketing areas of Oklahoma is above recent years, but the State total is some below a year earlier. Blended milk prices paid producers in March were below February because of the lowering of Class I price due to supply-demand adjustment and the higher percentage of Class II milk. March, 1957 prices at Oklahoma City were $5.18 for Class I and $3.22 for Class II per cwt. for 4 percent milk. These order prices do not include any premiums above the order price paid by processors for quality milk.

The promising productive feed supply season for Oklahoma and the Southwest part of the United States is of major importance to producers as it should result in much cheaper costs of production and larger supplies of milk in 1957-58. Conditions for improved income are the best in five or six years.

Federal Orders

In Oklahoma much attention is being given Federal milk marketing orders at this time. Attention is focused on two markets. The first concerns the approval of an amendment to Order No. 5 regulating the handling of milk in the Oklahoma City Marketing area to include Order No. 6 which regulates the handling of milk in the Tulsa-Muskogee area. The amended order will also include marketing areas in Creek, Pittsburg, Osage, Cherokee, Cleveland, Logan and Payne Counties. This combined order will be known as the Oklahoma Metropolitan Marketing Area. As there was considerable exchange of milk between these markets, it was felt that the combination order would effect the purposes of the order or orders with greater dispatch and with less cost than plans in effect. Voting on the order by producers closed on April 8, 1957. The results showed a high percentage of producers favoring the amended order.

The second concerns a hearing on a proposed Federal Order to include markets at Lawton, Ardmore, and other points in Oklahoma and Wichita Falls, Texas, which has been set for the first half of July, 1957. Should this order become a reality after the hearing, it will bring all major markets in Oklahoma into the Federal Order system except those large markets dominated by processing cooperatives.

Much producer attention is being given to long-range dairy programs at this time and many local leaders are studying various "self help"[1] plans proposed to bring production in line with market demands without major support price help and regulations from the government. Also, important programs of advertising and consumption are being carried out by the American Dairy Association to encourage greater use of dairy products. A concentration of effects to increase consumption will be made by all branches of the dairy industry in June. This program will be actively pushed in Oklahoma during this month.

—A. W. Jacob

Beef Cattle

Reduced Cattle Inventory in 1957

The seven-year expansion in cattle numbers on United States farms and ranches has ended. The 95.2 million head, reported January 1, 1957, was 1.6 million less than the all-time high of the year before. However, cattle numbers are still 12 percent above the 1946-55 average.

The 1956 inventory reduction extended to all classes. Cow numbers declined 723,000 head. Steer numbers declined by four percent and calves were down one percent. However, the inventory of the latter two classes was exceptionally high in 1956 which still leaves the 1957 number high.

Most of the reduction during the past year occurred in the Great Plains and is attributed to severe drouth conditions. Cattle numbers have not, as yet, turned down in either the South or the Midwest, the other two major cattle areas. Rates of increase, however, have slowed in both. A sharp reduction of seven percent in cattle numbers in the Great Plains states was only partially offset by a one percent net increase in the rest of the country. The largest percentage decrease came in Kansas, where inventories were 13 percent below a year ago. Declines in the other drouth states were: New Mexico, seven percent; Oklahoma, six percent; South Dakota, five percent, Nebraska, four percent; and Colorado, one percent. After reaching a record high a year ago, beef cows and heifers two years old and older were down two percent from 1956.

Continued Decline in Cattle Numbers

While drouth triggered the past year's decrease in cattle numbers, the present downturn bears some of the features of a typical cattle cycle. The previous expansion in numbers had slowed as early as 1953, and the cow inventory hit its peak in 1955. Even without drouth, cattle numbers in some areas had reached the limit of grazing capacity. In addition, lower prices for cattle had proved discouraging to producers, and had tended to reduce all cash expenditures in cattle production.

As in most cycles, numbers probably will continue downward for

[1] "The New Dairy Program," in the February 25, 1957 issue of *Hoard's Dairyman*, (Atkinson, Wisconsin) is being given major emphasis.

a few years. The rate of decrease and the duration of the cycle will depend on the weather as well as on other current influences. Present prospects are that the cyclical decrease may be slower, smaller, and perhaps shorter than in previous cycles. Supporting this view are the stability of numbers in the Mid-West and Southeast which now account for more of the total production than formerly, continued strong demand for beef, and record supplies of feed.

Cattle Slaughter to Stay Large

In 1956, slaughter of steers and heifers rose to new highs. Also very large cow slaughter in the last three months of 1956 lifted the total for this class almost equal to 1955. In 1957 steer and heifer slaughter likely will ease off a bit. The recent high rate of cow slaughter was due largely to drouth. Unless drouth is relieved, as many or more cows will possibly be slaughtered in 1957 than in 1956. In this event, total slaughter would be about as large as in 1956.

Gradual Strengthening of Fed Cattle Prices

A relatively stable price level seems probable in the coming months. Prices of fed cattle were under severe pressure last winter. Marketings almost reached the high rate of the preceding year. Also, added competition with fed beef was created by larger marketings of other classes, primarily cows. Prices of choice fed steers at Chicago in February were only about $1.75 per 100 pounds above the year before. They were $6.00 below their temporarily high level of early last fall.

Because January feedlot inventory included more calves, which usually are fed for late sale, fed cattle marketings probably will be distributed more evenly by months in 1957 than they were in 1956. As a result, some gradual improvement in fed cattle prices is indicated, but a rapid summer advance similar to last year is not expected.

Normally, prices of stocker cattle are at their year's highest level each spring. Such a pattern is likely again this year.

Calf Crop Declines

The United States calf crop in 1956 totaled 42,317,000 head, down less than one percent from the 42,566,000 calves in 1955, according to the Crop Reporting Board. The 1956 calf crop was 16 percent larger than the 1945-54 average. The decrease in the 1956 calf crop during the past year resulted from a decline in the number of cows and heifers two years old and over during the year.

The number of calves born in 1956 expressed as a percentage of cows and heifers two years old and older on January 1, 1956 was 87 percent which was the same as in 1955 and three percentage points above the 10-year average. However, this percentage is not strictly a calving rate since the January 1 inventory of cows and heifers two years old and older does not include all the heifers which gave birth to calves during the year. The percentage is calculated to show the trend in productivity over a long period of time. It may fluctuate from year to year due to variations in cow slaughter and trends in breeding herd replacements.

The calf crop in Oklahoma was 1,545,000 head which was a one percent increase over 1955 and well above the 1945-54 average. The number of cows and heifers two years old and older on January 1, 1956 totaled 1,717,000 head or slightly below the 1,769,000 total of 1955. Calves born were 90 percent of the number of cows and heifers two years old and older on January 1, 1956. This percentage calf crop in Oklahoma was the highest in the South Central region and one of the highest in Western United States.

Oklahoma Ranks High as Cattle State

On January 1, 1957, Oklahoma was third in the nation with respect to beef cow numbers two years and over. Oklahoma, with 1,255,000 head, ranked behind Texas and Nebraska. In total numbers of beef cattle and calves Oklahoma ranks ninth with 2,374,000 head and eleventh in total number of all cattle and calves with 3,018,000 head.

Calf Crop Report, United States, Regions, and Oklahoma, 1956.

Division	Calves Born			Cows and Heifers 2 years and older January 1			Calves born as a percent of cows and heifers 2 years old and older January 1		
	1945-54 Average	1955	1956	1945-54 Average	1955	1956	1945-54 Average	1955	1956
	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	1,000 head	%	%	%
N. Atlantic	2,849	3,086	3,098	3,399	3,599	3,626	83	86	58
E. N. Central	6,251	6,591	6,595	7,090	7,352	7,297	88	90	90
W. N. Central	9,621	11,347	11,236	10,795	12,525	12,250	89	91	92
N. Central	15,871	17,938	17,831	17,885	19,877	19,547	89	90	91
S. Atlantic	2,548	3,290	3,305	3,352	4,286	4,252	75	77	78
S. Central	9,221	11,031	10,973	11,430	13,151	13,056	80	84	84
West	5,934	7,221	7,110	7,163	8,208	8,248	83	88	86
U. S.	36,423	42,566	42,317	43,229	49,121	48,729	84	87	87
Oklahoma	1,322	1,539	1,545	1,527	1,769	1,717	86	87	90

Source: *1956 Calf Crop Report* Crop Reporting Board, AMS, USDA, Feb. 20, 1957.

In the North Central states, Ohio, Wisconsin, Minnesota, Iowa, and North Dakota, more calves were born in 1956 than during the previous year. All other states in this region had fewer, however. The number of cows and heifers two years old and over on January 1, 1956, was 19,547,000 head, a decrease of five percent from the 19,877,000 on farms January 1, 1955. The calf crop expressed as a percent of cows and heifers two years old and over was 91 percent compared with 90 percent in 1955.

The calf crop in the western states was 7,110,000 head in 1956 compared with 7,221,000 born in 1955. Only in Montana, Idaho, and New Mexico were more calves born in 1956 than in the preceding year. The number of all cows and heifers on farms and ranches on January 1, 1956, totaled 8,248,000 head, an increase of less than one percent from January 1, 1955. The calf crop expressed as a percentage of cows and heifers two years old and older was 86 percent compared with 88 percent of the previous year.

In the South Central states, the calf crop was estimated at 10,793,000 head compared with 11,031,000 in 1955. The number of all cows and heifers two years old and older on January 1, 1956, totaled 13,056,000 head, a decline of one percent from 1955 and the calf crop expressed as a percentage of all cows and heifers two years old and older was 84 percent which was unchanged from 1955.

In the North Atlantic region, the calf crop totaled 3,098,000 head compared with 3,086,000 head in 1955. The number of cows and heifers two years old and older on January 1, 1956, was 3,626,000 head compared with 3,599,000 head on January 1, 1955. The calf crop was 85 percent of the number of cows and heifers two years old and older on January 1, 1956.

In the South Atlantic states, the calf crop was 3,305,000 head which was less than one percent above the previous year. The number of cows and heifers two years old and older on January 1, 1956, totaled 4,252,000 head, only slightly smaller than a year earlier, the calf crop was 78 percent of the number of cows and heifers two years old and older on January 1, 1956.

Marketing Margins Level Out in 1956

Marketing margins for meat generally leveled out in 1956 with the average slightly higher for beef. Margins for Choice beef declined from a first quarter high to a third quarter low, then advanced. In the final three months, margins were back to the first quarter level.

Marketing margins have tended upward since the end of World War II. This upward movement in margins has increased the portion of the retail price that goes to marketing, processing and distributing agencies and has decreased the farmers' share of the retail price.

Over-all margins for marketing livestock and meat normally widen with any big increase in slaughter supplies of livestock, then level out or narrow as supplies decrease. However, the decline in the margin usually has been less than the previous rise.

Meat Consumption is Highest in West

More meat is consumed per person in the North Central Region and the West than in other parts of the United States. The Northeast ranks next, the South lowest.

According to the Household Food Consumption Survey, farm families consumed more meat per household than did non-farm families in the 1955 survey week. Because farm families are of a larger size, their average consumption per person is less —2.84 pounds compared with 3.07 pounds for non-farm families. Of non-farm families, those in cities eat a little more meat than "rural non-farm" which are those living in the smallest towns or in non-farm country homes.

Consumption of beef per person is higher in cities than on farms, but consumption of pork is higher on farms, as a United States average. Average consumption of veal and of lamb per person on farms is less than a fifth that in cities.

Choice Beef: Average Retail Price, Marketing Margin, Farm Value and Farmer's Share, 1947 to 1956.

Year	Retail Price per pound (cents)	Marketing margin (cents)	Net farm value [1] (cents)	Farmer's share (percent)
1947	61.8	17.6	44.2	72
1948	75.3	22.3	53.0	70
1949	68.4	20.2	48.2	70
1950	75.4	21.3	54.1	72
1951	88.2	22.4	65.8	75
1952	86.6	24.1	62.5	72
1953	69.1	25.3	43.8	63
1954	68.5	24.3	44.2	65
1955	67.7	25.5	42.2	62
1956	66.0	25.9	40.1	61

[1] Farm value of live animal of weight and grade necessary to produce one pound of meat products at retail, minus computed value of byproducts. Standard factors are 2.16 pounds of Choice grade beef steer or heifer.

Source: *The Livestock and Meat Situations*, AMS, USDA, March, 1957.

With respect to regional differences, the consumption rate for all meat in the North Central States and the West exceeds the Northeast by 10 percent. In the South consumption is 15 percent less than in the Northeast and one-fourth below the other two regions.

The Household Food Consumption Survey showed that families with high incomes consumed much more beef than did those with low incomes. Consumption of pork, on the other hand, was approximately the same for every income group. Consumption of beef per person in families of $8,000 to $10,000 income was half again as large as that in the $2,000-$3,000 income group. The higher income families bought higher priced cuts which resulted in a value per person almost twice as great.

Pork consumption per person was approximately the same at each income level. The value, however, was a fourth to a third greater for the higher incomes. Both veal and lamb consumption were highly correlated with income.

As would be expected, consumption was more closely associated with income for beef steaks and roasts than for ground beef and other beef cuts. Similarly, pork loins and chops were more popular with higher than lower income families. Middle income people seem to eat the most ham, while low income families claim more of the sausage and other pork products. —**Paul Andrilenas**

Sheep, Lambs and Wool

Sheep and Lambs

Consumption of lamb and mutton was approximately 4.4 pounds per capita for the United States in 1956 and probably will not change much in 1957. Oklahoma consumption of lamb and mutton was only 0.1 pound per capita in 1956.

As of January 1, Oklahoma ranked 30th in sheep and lambs on

farms. Texas was the leading state with an estimated 4,708,000 head while Wyoming, California and Colorado followed in that order. The total number of sheep and lambs on farms in the U.S. on January 1 was 30,838,000 head.

Spring lamb prices are considerably higher at present than they were last year at the same period. Choice and prime lambs hit a peak of $25.00 the last week in March and should continue on a higher level than last year through the early marketing period.

Revised grade standards for lamb and mutton carcasses have been in effect since February 11, 1957. **The prime, choice, good, utility and cull grades were retained, but the standards for prime, choice and good grades have been changed.** Maturity is de-emphasized as a grade factor in the standards for prime and choice, particularly for older lambs. The range of quality in the good grade has been narrowed.

Wool

The 1957 wool incentive program, which will apply to wool marketed from April 1, 1957 to March 31, 1958 will be about the same as last year's program. The shorn wool incentive price for the 1957 marketing year will be 62 cents per pound, the same as for 1955 and 1956.

The payment method on lambs for 1957 also will be the same as under the current program. Each producer who owns lambs for 30 days or more and sells them unshorn will be eligible for a payment based on the weight increase during his ownership. The payment to each producer per hundredweight of lambs sold is calculated at four times the payment rate per pound on shorn wool.

The incentive payment to individual producers is equal to the proceeds from the sale of wool times the percentage required to bring the average price all producers receive for the 1957 clip up to the 62 cent level. This is the same as in the past but many farmers misunderstood the program and sold their wools mostly in the heavy shearing period, April through June, thinking that whatever they received for the wool did not matter since incentive payments would total up to 62 cents. Many wool producers now understand that it pays to get the highest prices possible for their wool so they strive to sell on the highest market and not sell to depress the market in a given season.

Wool markets should be better this year, since all wools produced in the U. S. this year should be needed. The 1956 U. S. production of wool was almost entirely used by the end of the year.—**Daniel D. Badger**

Poultry

Prices for all poultry products have reached a new seasonal low for the past 15 years. Unless production is reduced substantially during the next six months, egg prices will average less than 30 cents per dozen for the year. Prices received by farmers for eggs currently are averaging 30 percent less than in 1956. This relationship likely will continue until October.

Egg production is slightly above 1956 (two percent) and will reach a peak in April. After April, production probably will decline more than usual. Producers are decreasing flocks by greater culling. Producers have marketed 92.7 million pounds of hens and cocks in the January 1-March 23 period of 1957 compared with 69.2 million pounds in the same period of 1956. This is an increase of 34 percent. Lower egg prices will increase the rate of marketing. Increased marketing of hens has been reflected in the prices received by farmers for hens. Hen prices averaged 10.8 cents per pound for the first three months compared with 14.7 cents in 1956. Lower hen prices will continue to reflect the increased marketings until October.

Producers are buying less replacements than last year at this time. However, many replacements were purchased very early in the 1956 season and few in the latter part of the season. The reverse could be the situation in 1957. If this occurs, total replacements could reach the 1956 level and no reduction in the number of layers for 1958 would be achieved. This is likely if prices make a substantial advance at midseason.

Broilers

The broiler industry is experiencing record low seasonal prices. Prices received are averaging less than 20 cents per pound for the first time since World War II. Decreases in costs as a result of greater efficiency have enabled the industry to produce at lower price relationships. However, there is a strong indication that a price-cost squeeze has developed which will retard further expansion. Chick placement as a percentage of the past season has declined constantly throughout 1957. During the first three months placements have ranged from 13 percent to only two percent greater than in the same months of 1956. During these three months in 1956 replacements averaged almost 21 percent greater each month than the previous year. This approximated the normal rate of expansion during the past decade.

Although numbers have declined the total pounds marketed have continued above the 1956 level. There is some indication, judging by the average weight of broilers marketed that total pounds will not be reduced in the same proportion as numbers. This would indicate that producers are contracting to produce at heavier weights at a fixed return per head of broiler housed.

Turkeys

Turkey producers are exceeding January intentions to buy poults. The earlier estimate was a 10 percent increase above 1956 when 76 million birds were produced. Current prices for frozen turkey are averaging 8 to 11 cents below prices last year. Prices from January to July, 1956 were very favorable for frozen turkeys.

The February 1 cold storage holding of turkeys was 75 million pounds greater than in 1956. The large volume of storage stocks will keep prices below the 1956 level. In view of the competition from low broiler prices and large supplies of meat in prospect for 1957, the price does not encourage an expansion in production. —**K. C. Davis**

Feed

United States

Total acreage of the four major feed grains is expected to be up slightly in 1957.* The national intentions to plant corn have declined five percent from last year to 74 million acres. The 1957 intentions indicate a 2.5 percent drop in acreage of oats as compared with 44,648,000 acres in 1956. Based on intentions, the national acreage of sorghum for all purposes will increase 23 percent from the 21,503,000 acres planted in 1956, the acreage planted to barley will increase nine percent, and the acreage of hay harvested will be 72,766 as compared with 73,627 acres last year. The Soil Bank Program and the downward trend in corn acreage in the South contributed to the reduced acreage of corn.

Feed grain production may be less in 1957 even with increased acreage. The decrease in production of corn and oats is expected to be greater than the increase in production from the additional acreage in barley sorghums and hay.

With 1951 to 1955 average yields, feed grain output may total 119 million tons. This would be about 10 million tons less than last year. Even with this reduction, the record carryover would place feed grain supplies only a little below the record established during the past year.

Market prices of feed grain have been fairly stable in recent weeks. Corn prices during the coming months may rise less than in 1956 but oats and sorghum prices should continue above 1956 levels.

Oklahoma

The March survey of intentions indicated that Oklahoma farmers intend to plant fewer acres of corn, oats and sorghums.* The indicated acreage of barley was the same as last year and the acreage of hay for harvest was about one percent more than was harvested last year. The intended acreage of corn at 301,000 acres was 13 percent less than was planted last year. The indicated acreage of oats was down two percent to 1,198,000 acres as compared with 1,222,000 acres in 1956. The intended acreage of all sorghums was 1,960,000 acres which was also down two percent from the 1956 acreage. —**Kenneth Tefertiller**

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* *The Feed Situation*, AMS, USDA, March 1957.

* *Prospective Plantings in 1957* Oklahoma Crop and Livestock Reporting Service, AMS, USDA, Oklahoma City, Oklahoma.

Table 1.—Prices Received by Farmers for Oklahoma Farm Products.
(Dollars)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghum	Cotton-lint	Cotton-seed	Sweet potatoes	Soybeans	Peanuts	Alfalfa seed
1955		2.09	1.41	.75	.98	1.10	1.14	.295	52.33	2.75***	2.20	.116	14.25
1956		2.00	1.39	.74	.94	1.12	1.13	.286	50.67	2.80***	2.21	.111	11.60
1956	Mar.	2.04	1.32	.70	.89	1.05	1.01	.280	46.00	2.40	2.20	.114	11.22
	Apr.	2.08	1.36	.71	.89	1.05	1.05	.300	48.00	2.50	2.30	.112	11.70
	May	2.01	1.43	.72	.90	1.05	1.09	.300	48.00	**	2.60	.114	11.22
	June	1.87	1.47	.62	.81	1.05	1.15	.299	48.00	**	2.60	.112	11.10
	July	1.88	1.46	.64	.84	1.05	1.18	.295	48.00	**	2.35	.110	11.40
	Aug.	1.94	1.46	.72	.90	1.08	1.25	.303	49.00	3.60	2.25	.110	11.58*
	Sept.	1.98	1.40	.77	.96	1.21	1.18	.280	52.00	3.00	2.00	.105	12.00
	Oct.	2.02	1.40	.80	1.02	1.25	1.20	.285	55.00	3.10	1.95	.115	12.24
	Nov.	2.07	1.40	.88	1.10	1.25	1.26	.274	60.00	2.80	2.10	.110	12.60
	Dec.	2.08	1.41	.91	1.14	1.29	1.26	.265	63.00	2.90	2.15	.106	12.60
1957	Jan.	2.08	1.45	.91	1.14	1.25	1.26	.262	63.00	3.20	2.20	.108	12.90
	Feb.	2.04	1.41	.91	1.14	1.16	1.23	.270	61.00	2.90	2.20	.110	12.84
	Mar.	2.08	1.39	.89	1.10	1.15	1.22	.285	59.00	2.85	2.20	.110	13.50

		All hay	Alfalfa hay	Wild hay	Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	Butterfat	All chickens	Eggs	Turkeys
1955		22.92	26.90	18.19	14.09*	16.62*	5.59*	18.42*	16.08*	4.42*	.52	.215*	.332	.258
1956		23.93	28.92	19.09	13.32	15.97	5.11	18.71	14.44	4.52	.52	.174	.332	.247
1956	Mar.	20.10	23.80	15.00	13.60	16.10	5.50	18.20	12.70	4.45*	.53	.191	.334	.260
	Apr.	20.20	24.30	14.80	13.80	16.80	5.50	18.70	14.30	4.15	.53	.184	.330	.250
	May	21.30	25.00	16.30	14.00	16.30	5.20	22.50	15.20	4.20*	.54	.190	.334	.250
	June	20.70	24.70	15.30	13.80	16.00	4.50	22.00	15.90	4.25	.52	.181	.300	.240
	July	19.80	25.50	15.30	13.70	15.80	4.50	19.90	15.90	4.30*	.52	.176	.278	.220
	Aug.	22.70	28.00	18.40	13.60	15.50	4.50	18.80	15.80	4.40	.52	.180	.291	.240
	Sept.	26.20	32.00	21.00	13.00	15.50	4.50	18.30	15.40	4.60	.52	.154	.350	.240
	Oct.	29.80	36.50	25.00	12.20	15.00	4.50	17.60	15.10	4.75	.52	.150	.310	.240
	Nov.	31.10	37.50	26.80	12.30	15.00	5.00	17.10	14.20	4.85	.53	.155	.317	.240
	Dec.	31.60	38.50	27.50	12.50	15.00	5.00	16.80	15.80	4.80	.53	.148	.350	.250
1957	Jan.	31.70	38.00	28.00	13.30	15.80	6.00	17.40	16.70	4.70	.52	.152	.320	.240
	Feb.	32.00	38.50	28.00	14.00	16.10	6.00	17.80	16.50	4.55	.52	.164	.285	.230
	Mar.	27.70	36.00	25.00	14.50	16.50	6.50	19.30	16.70	4.45	.52	.163	.240	.230

SOURCE: *Prices Received by Farmers*, Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma, Monthly Releases or *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C.
* Revised. ** Data not available. *** 9 months average.

Table 2.—Index Numbers of Prices Received by Farmers for Oklahoma Farm Products.[1]
(Percent of 1910-14 Average)

		Wheat	Corn	Oats	Barley	Rye	Grain sorghums	Cotton-lint	Cotton-seed	Sweet potatoes	All hay
1955		244	217	166	167	128	168	268	267	223***	260
1956		233	214	165	159	130	166	253	259	227***	271
1956	Mar.	237	203	156	151	122	149	248	235	195	228
	Apr.	242	209	158	151	122	154	265	245	203	229
	May	234	220	160	153	122	160	265	245	**	241
	June	217	226	138	138	122	169	265	245	**	235
	July	219	225	142	142	122	173	261	245	**	224
	Aug.	226	225	160	153	125	181	268	250	289	257
	Sept.	230	215	171	163	141	173	248	266	244	297
	Oct.	235	215	178	173	145	176	252	281	252	338
	Nov.	241	215	196	187	145	185	242	307	228	353
	Dec.	242	217	202	194	151	185	235	322	236	358
1957	Jan.	242	223	202	194	145	185	232	322	260	359
	Feb.	237	217	202	194	135	181	239	312	236	363
	Mar.	242	214	198	187	134	179	252	301	232	314

		Cattle	Calves	Sheep	Lambs	Hogs	Wholesale milk	chickens	All Butterfat	Eggs
1955		292*	278*	122*	316*	228*	229	221	229*	186
1956		276	268	110	321	205	234	224	185	187
1956	Mar.	282	270	119	312	180	231*	226	203	188
	Apr.	286	281	119	321	203	215	226	196	185
	May	290	273	114	386	216	218*	231	202	188
	June	286	268	97	377	226	220	222	193	169
	July	284	265	97	341	226	223*	222	187	156
	Aug.	282	260	97	323	224	228	222	191	163
	Sept.	269	260	97	314	219	238	222	164	197
	Oct.	253	251	97	302	214	246	222	160	174
	Nov.	255	251	108	293	202	251	226	165	178
	Dec.	259	251	108	288	224	249	226	157	197
1957	Jan.	275	265	130	299	237	243	222	162	180
	Feb.	290	270	130	305	234	236	222	174	160
	Mar.	300	276	141	331	237	231	222	173	135

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A & M College, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma and Washington, D. C.
For previous years, see Oklahoma Agri. Exp. Sta. Bul. 258, *Oklahoma Farm Price Statistics* and *Current Farm Economics*, Okla. Expt. Sta. series 49, Vol. 13, Nos. 1 and 2, Feb.-Apr., 1940. Tables 16-19, and subsequent issues.

[1] For the index of purchasing power of a unit of an individual commodity in terms of commodities used in farm production and family living, divide the index of price received by Oklahoma farmers (in this table) by the index of prices paid by United States farmers (in Table 4) for the same month and multiply by 100.

* Revised. ** Data not available. *** 9 months average.

Table 3.—Price Indexes of Groups of Oklahoma Farm Products.
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L. S. products	Meat animals	Dairy products	Chickens and eggs
1955		253	255	233	268	237	250	274*	224*	198*
1956		241	243	224	254	247	237	256	228	186
1956	Mar.	238	238	225	246	220	237*	254	228*	192
	Apr.	248	250	230	263	223	241	263	223	188
	May	248	248	225	263	183	246*	269	226*	192
	June	243	243	213	263	177	242	269	222	175
	July	240	241	214	259	170	239	267	224	165
	Aug.	247	250	220	266	265	239	265	224	171
	Sept.	240	241	223	250	284	237	255	228	188
	Oct.	240	246	227	255	317	226	242	230	170
	Nov.	239	245	233	249	322	226	240	235	175
	Dec.	240	242	234	244	328	234	249	234	186
1957	Jan.	241	241	235	241	335	240	264	229	175
	Feb.	243	243	231	246	332	243	273	227	164
	Mar.	248	250	233	257	294	245	282	225	145

Purchasing Power Indexes[1] of Groups of Oklahoma Farm Products
(Percent of 1910-14 Average)

		All commodities	Total crops	Grain	Cotton & cottonseed	Misc. crops	Total livestock and L. S. products	Meat animals	Dairy products	Chickens and eggs
1955		89	89	82	94	83	87	96	78	69*
1956		84	84	78	88	85	82	89	79	65
1956	Mar.	84	84	79	86	77	83*	89	80*	67
	Apr.	87	88	81	92	78	85	92	78	66
	May	86	86	78	91	63	85	93	78*	66
	June	84	84	74	91	61	84	93	77	61
	July	83	83	74	89	59	82	92	77	57
	Aug.	85	86	76	91	91	82	91	77	59
	Sept.	82	83	77*	86	98*	81	88*	78	65*
	Oct.	82	85	78	88	109	78	83	79	58
	Nov.	81	83	79	85	110	77	82	80	60
	Dec.	81	82	79	83	111	79	84	79	63
1957	Jan.	82	82	80	82	114	81	89	78	59
	Feb.	82	82	78	83	112	82	92	76	55
	Mar.	84	84	78	87	99	82	95	76	49

SOURCE: Compiled by Dept. Agri. Econ., Oklahoma A & M College, from data supplied by Agricultural Marketing Service, U.S.D.A., Oklahoma City, Oklahoma, and Washington, D. C.

[1] The ratio of prices received by farmers to prices paid by farmers for commodities used in farm living and production. For individual commodities see footnote 1 of Table 2.

* Revised.

Table 4.—Index Numbers in the United States, Index of Demand Deposits in Oklahoma, and Oklahoma Price Ratios.

		United States index numbers of:				Index of demand deposits in Oklahoma[2 3] (1923-25=100)	Oklahoma price ratios[4]			
		Prices received by farmers (1910-14=100)	Prices paid by farmers (1910-14=100)	Wholesale prices (1910-14=100)	Factory payrolls[1] (1947-49=100)		Hog corn	Egg feed	Turkey feed	Milk feed
1952		288	288	250	136.6*	293.2	10.20	8.9	7.0	1.533*
1953		258	284	247	151.4*	289.3	14.04*	11.2	7.6	1.520
1954		250	286	247	137.7*	289.3	15.15	8.6	7.4	1.479*
1955		236*	286	248	152.5*	291.3	11.43	9.5	7.4	1.600*
1956		236	289	256	161.3	297.4	10.35	9.7	7.2	1.680
1956	Mar.	230	285	254	157.9*	290.4	9.39	10.1	7.8	1.726
	Apr.	235	285	256	158.2	291.8	10.51	9.7	7.3	1.566
	May	242	289	256	157.3*	289.5	10.63	9.6	7.2	1.513*
	June	247	289	256	158.2*	291.0	10.82	8.8	7.1	1.630
	July	244	290	256	151.0	304.8	10.55	8.2	6.5	1.659*
	Aug.	237	291	258	161.4	300.8	10.82	8.4	6.9	1.619
	Sept.	236	291*	258	165.8*	301.1	11.00	10.1	6.9	1.687
	Oct.	234	291	258	168.7	301.6	10.79	8.9	6.9	1.740
	Nov.	234	294	261	168.3	303.2	10.14	8.9	6.8	1.708
	Dec.	237	295	261	170.9	300.1	11.21	9.8	7.0	1.653
1957	Jan.	238	295	263	----	300.5	11.52	8.9	6.7	1.607
	Feb.	234	297	263	----	288.0	11.70	8.1	6.5	1.567
	Mar.	237	297	263	----	----	12.01	6.8	6.5	1.551

SOURCE: Indexes of U. S. prices received and prices paid by farmers and indexes of U. S. wholesale prices, from *Agricultural Prices*, A.M.S., U.S.D.A., Washington, D. C. Indexes of demand deposits in Oklahoma, calculted by Dept. Agri. Econ., Okla. Agri. Exp. Sta. from data furnished by Federal Reserve Board, Washington, D. C. Indexes of factory payrolls, from U. S. Department of Labor, Bureau of Labor Statistics, Washington. D. C.

[1] Unadjusted for seasonal variation.

[2] Demand deposits of Oklahoma member banks of the Federal Reserve System located in places under 15,000 population.

[3] Index numbers based on net demand deposits prior to 1936 and upon gross demand deposits since that date. For a discussion of this index see CURRENT FARM ECONOMICS, Oklahoma Agricultural Experiment Station Series 49, Vol. 13, Nos. 1 and 2. Feb.-Apr., 1940. p. 41.

[4] The number of bushels of corn or pounds of feed which one unit of the commodity (100 pounds of hogs, one dozen eggs, one pound of turkeys or milk) will purchase. Prices used are the official A.M.S. estimates of prices received by Oklahoma farmers except for commercial feeds or ingredients which are official A.M.S. estimates of prices paid by Oklahoma farmers. These ratios are computed on the basis of fixed rations and are not directly comparable with ratios computed from other rations. The composition of each ration used is available upon request.

*Revised

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